



Article from

Reinsurance News

November 2018

Issue 92

LEARN—Going Strong and Growing!

By Larry N. Stern

LEARN—life, education and reinsurance navigation—is a Reinsurance Section sponsored program created for the purpose of educating regulators about reinsurance; from the life, annuity and health insurance perspective. A by-product of a 2009 request from the Delaware Department of Insurance, Ronnie Klein—then chair of the section—had the idea of creating a team of individuals who would spend a day with regulators assisting them in understanding various reinsurance topics/issues such as:

- What is reinsurance,
- Types of reinsurance,
- Risk transfer rules and reserve credit,
- Treaty provisions, and
- Employer stop-loss and health care reinsurance.

Over time as new issues have arisen in the industry, current topics have been added to cover:

- Health care reform (Patient Protection and Affordable Care Act),
- Captives,
- Actuarial Guideline 48,
- Principle-based reserves (PBR), and
- Longevity.

Each presentation involves one life and one health Reinsurance Section volunteer. Since 2010, 33 states plus four offshore jurisdictions—Bermuda, Trinidad & Tobago, Puerto Rico, and Cayman Islands—have been visited. Some regulators have asked for a repeat presentation as turnover in their staffing occurs! For several years, six volunteer individuals—Mike Kaster, Jeff Katz and Larry Stern (life), Michael Frank, David Nussbaum and Tim Robinson (health)—have carried the ball of presenting. Recently new volunteers—David Addison, Tom Colbrook, Mark Costello and Mike Mulchay—have been recruited to take over presentation responsibilities. Emily Roman is the Reinsurance Section Council member responsible for LEARN activities.

The PowerPoint presentation consists of 160 slides. In 2016 through the efforts of the SOA staff, the presentation received the approval of the NAIC for continuing education credit. This



aspect has increased the number of insurance department staff attending the presentation. Usually there are close to 25 in the audience, however, for the California Department of Insurance (DOI), there were close to 50 in Los Angeles and another 15 in San Francisco via teleconference, and about the same number attending in three locations for New York State Department of Financial Services (NYSDFS). Most of the attendees are analysts or examiners with a few actuaries. Several Commissioners or Deputy Commissioners have come for all or part of the presentation and were active participants at the meeting.

In June 2016 LEARN was presented to the CA DOI (as referenced above there was wide attendance). As an outgrowth of this presentation, later in the year they requested a separate presentation on PBR and its impact on reinsurance. PBR had recently been approved to become effective during the three-year phase-in starting in 2017. PBR had been covered as a current topic in the presentation, but not to the extent of what CA DOI requested. A special team of Julie Becker, Donna Megregian, Martin Snow and Larry Stern worked for over six months to create a separate PowerPoint presentation of 100 slides.

In November 2017, PBR/Reinsurance LEARN was presented to the CA DOI covering topics such as:

- Review of risk transfer rules and reserve credit,
- Changes in computation of reinsurance reserve credit,
 - Issues that arise in the computation of reserve credit,
 - Practical results of the PBR calculation,
- Practice issues,
- Concerns,
- Internal reinsurance,
- Key insights from research, and
- Future issues.

Both “regular” LEARN and PBR/Reinsurance LEARN have been well received and appreciated. Some accolades:

- “The presentations were exceptional and better than I ever expected based on a quick review of the slides. The Q and A was great. Thanks to you, the team, and the SOA for this meaningful and timely CE.” Perry Kupferman—CA DOI
- “On behalf of myself, the DFS training unit and our Life Bureau, I wish to express my complete appreciation and gratitude to you and your staff for the outstanding delivery of LEARN Overview of Reinsurance. We received positive feedback on both the live presentation and the training content.” Yvonne Fusco-Towasser—NYSDFS
- “Thank you once again for your time and expertise yesterday. The feedback has been highly positive and the training was very beneficial to all of the Insurance Division. Please pass on our thanks to the Society of Actuaries for providing the LEARN program to the Authority.” Suzanne Sadlier—Cayman Islands Monetary Authority
- “On behalf of the staff that attended your presentation, we would like to thank you for taking the time to come to our

office and share your reinsurance knowledge. Everyone that I spoke to had positive comments, said they learned a lot, and were very appreciative.” Lisa Parker—FL OIR

Through the hard work and dedication of the LEARN volunteers, this has been a highly successful endeavor for the Reinsurance Section. We’re not done yet—there are still several jurisdictions to which we have not presented. Plus, now with PBR/Reinsurance LEARN, we need to leverage the work involved in creating this timely presentation. We encourage you to reach out to promote the presentations to regulators. There has also been consideration giving shorter sections of the presentation to local/regional actuarial clubs, actuarial science university programs, and rating agencies. Please contact Emily Roman (eroman@munichre.com) if you have an interested connection.

Until next time, may all your experiences be “profitable” ones. ■



Larry N. Stern, FSA, MAAA, is president, Canterbury Consulting, LLC. He can be contacted at lstern@canterburyconsultingllc.com.

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